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SUBJECT: MUMBAI MASALA: CONSUL GENERAL VISITS KUTCH, MUNDRA SEZ AND GIR FOREST IN GUJARAT

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Consul General Inaugurates Medical Camp

¶1. (U) On a recent trip to Gujarat, the Consul General inaugurated a medical camp near Bhuj, in the remote desert region of Kutch. This is the 35th consecutive year that the month-long camp has served the needs of local inhabitants, in one of the most remote parts of the state. The camp is staffed by 45 medical professionals from the U.S. and 180 doctors from Mumbai; many of the American participants are immigrants, originally from the Kutch area. Shantilal Meckoni, chairman of the Bidada Sarvoday Trust which sponsors the camp, said that the yearly gathering provides treatment to approximately 25,000 people in the Kutch region. In addition to routine medical treatment, special cardiac and pediatric camps are offered.

Mundra SEZ

¶2. (U) The Consul General also visited the site of the Mundra Special Economic Zone (SEZ) being developed by the Adani Group. The SEZ includes a large, modern port as well as the Adani Power Plant, which will be India's largest thermal power plant and the third largest in the world when it is completed in 2012. According to Adani Power's V.N. Bhamidipati, the power plant will generate 4.6GW of electricity. It will sell 2GW of power to Gujarat and 1.5GW to Haryana, and the remaining 1.1 GW will be used as captive power for the SEZ. He noted that the project will be larger than the Tata Ultra Mega Power Project, which is being built on adjacent land, but it has not received as much press coverage as the Tata project (reftel), because it is not a Government of India (GoI) initiative.

¶3. (U) Bala Subramaniam, Senior Advisor to the Adani Group, pointed out that the project uses equipment- broilers, turbines and generators- supplied by the Chinese companies, Harbin and Dongfang. When asked about the GoI's concerns about the quality of Chinese power equipment, he claimed that the quality of the Chinese equipment was equal to Bharat Heavy Electricals Limited (BHEL)'s equipment, India's largest manufacturer of power equipment. The executive stated that the drawback with BHEL was that it can only manufacture 10GW of equipment per year, and it was backlogged with orders. In comparison, Chinese companies had larger manufacturing capacities; as a result, the Adani

Group found it much easier to purchase equipment from China than India. Bhamidipati noted that several hundred Chinese laborers were working on the project site, and a separate residential compound houses them in Mundra. He stated that the Chinese laborers were needed because they had technical capabilities that were in short supply in India.

¶4. (U) Subramaniam noted that the power plant is being built with the environment in mind. The plant will utilize coal from a captive mine in Indonesia, which is owned by the Adani Group. Indonesian coal, he noted, has less sulphur and ash content than Indian coal and is therefore less polluting. To further minimize pollution, the ash, generated from the power plant, will be sold to cement companies in Gujarat to use as a raw material in cement production. To reduce carbon emissions, some of the project's units will use supercritical technology, a cleaner and more efficient way to burn coal than conventional technologies. Bhamidipati noted that they are in the process of applying for carbon credits for their carbon dioxide-saving initiatives. He also mentioned that sea water will be used to cool the project.

¶5. (U) After touring the power plant, the Consul General toured Mundra Port. Subramaniam informed him that the project was originally started as a joint venture between the Adani Group and Cargill, the large privately-held agro-food company based in Minnesota. However, Cargill pulled out in the late 1990s. He claimed that the port's efficiency may be the best in India; turnaround times for ships are almost on par with the port of Hong Kong. The Adani representative stated that most of the port's cargo is essential commodities like fertilizer and coal, particularly for the nearby power plants; the port may have the world's largest coal terminal to service both Tata and Adani power plants. As a result, Subramaniam noted out that Mundra Port's traffic probably will not be affected by the financial crisis. Recently Mundra has had success attracting Indian

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automobile manufacturer Maruti which started exporting cars to Eastern Europe from the port on January 9. He expected that Nissan and Honda's Indian manufacturing units to start exporting vehicles from the port soon. Subramaniam predicted that the port will employ approximately 1,000 people when it is finished, bringing new jobs to the area. (Comment: We consider his contention that the port will not be affected by the downturn unrealistic. End Comment.)

Asiatic lions habituated to people in Gir National Park

¶6. (U) Bharat Phatak, Conservator of Forests (Wildlife) and Director of Gir National Park (GNP), informed Consul General and Congenoff that approximately 350 Asiatic lions live in Gir National Park. Noting that the lions live in close proximity to villages and settlements along the park's perimeter, Phatak explained that violent incidents between lions and humans are rare, with a human death occurring once every 3-4 years. He attributed this to a "culture of conservation" in the region, as Gujaratis consider respecting and protecting animals a part of their culture. Phatak also said that compensation paid to villagers when their livestock are killed by lions also helps to preserve the relatively peaceful coexistence of animals and humans. He noted that recently the lions have been migrating outside the park (some lions are semi-captive in the tourist-designated areas) and traveling several kilometers, even as far south as the land touching the Arabian Sea near Diu. Phatak said that the 2007 poaching incidents, in which 8 Asiatic lions were killed in an attempt to pass off their bones as prized tiger bone, were a blow to his wildlife conservation team. He said that the perpetrators were prosecuted within one year and given 3-year sentences for their crimes.

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